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FRONT COVER

Tractor on French Farm

French farmers, like their neighbors in Western Europe, have been encouraged to mechanize their farms in recent years because of the wartime losses of workstock and the need for greater food production. (Photo courtesy of Mutual Security Agency.)

BACK COVER

Wheel and Crawler Tractors Exported From Principal Exporting Countries, 1950

In 1950, for the first time, the United States shared its traditional position as the most important exporter of tractors, with the United Kingdom.

NEWS NOTES

Henry Garland Bennett

When on December 22 a tragic plane crash in Iran took the life of Dr. Henry Garland Bennett, this Nation lost one of its foremost crusaders for peace. And humanity in many other lands lost a staunch friend.

Thirteen months ago, when the President appointed Dr. Bennett to administer the Point Four program of helping other people to help themselves by sharing with them our technical knowledge, only a small beginning had been made. Today, under the leadership and guiding spirit of Dr. Bennett, Point Four is a broad and expanding program of hope for millions of people throughout the world. Some 600 American technicians are now at work in 33 countries—sharing their knowledge with people who desire a better life. This Nation was fortunate to have had a leader like Dr. Bennett in the infancy of Point Four. He built a strong foundation for its future.

Dr. Bennett had been on leave from his post as president of Oklahoma A. & M. College since November 1950, when the President appointed him Administrator of the Technical Cooperation Administration. He began his career in education in 1909 as county school superintendent in Choctaw County, Okla. He was named superintendent of schools at Hugo, Okla., the following year and held that post for 9 years. In 1919 he was named president of Southeastern Oklahoma State College at Durant, a job he held until he became president of Oklahoma A. & M. in 1928.

Dr. Bennett had served the Government in various capacities since the end of World War II. In 1945 he went to Quebec as a delegate from the United States to the first session of the Food and Agriculture Organization of the United Nations. In 1949 he served on an agricultural survey mission for the U. S. Army of Occupation in Germany. In April 1950 he acted as adviser to the Government of Ethiopia on the organization of an agricultural training center along the lines of American land-grant colleges.

At the time of his death Dr. Bennett was on tour of the Middle East to investigate progress of Point Four programs and to discuss plans for the future.

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FOREIGN AGRICULTURE ALICE FRAY NELSON, EDITOR

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Tractors for World Agriculture

by HAROLD L. KOELLER

Tractor power available to world agriculture has increased fivefold in the past quarter century, replacing 7 percent of the animal power used on farms and increasing total power by more than 8 percent. Manufacture of tractors needed to meet world demand has become a big industry in several countries, as indicated by the fact that 203,500 new tractors moved in world trade in 1950.

Tractors have replaced draft animals to the greatest extent in North America and Oceania, where the high cost and scarcity of farm labor encourage the use of labor-saving devices, and in Europe, where there were serious wartime losses of workstock. Some European governments have encouraged farmers to use tractors instead of horses so that the 3 acres that it takes to feed a horse can be planted to food crops or to fodder crops for such livestock as dairy cattle. In countries where agriculture is underdeveloped, the growing interest in expanding food and fiber production has created new markets for tractors and heavy equipment for clearing jungles, reclaiming wasteland, draining swamps, and building irrigation projects.

Where are the tractors coming from? Historically the United States has been the principal source of tractors for the world market. In 1950, for the first time, that position was challenged by the United Kingdom, which exported a greater number of wheel tractors, mainly of the 2 and 2–3 plow size. The United States, however, was the principal source of crawler tractors and United States exports of both wheel and crawler tractors provided about 15 percent more horsepower for world agriculture than did British exports.

Although the two principal exporting countries supplied the bulk of the tractors available for importing countries, other industrial countries also were important suppliers. Historical trading patterns, currency exchange regulations, preferential customs and quota treatment, farmer preferences for certain makes, and other factors determined the sources of tractors imported into the various regions of the world.

One of the factors now limiting the supply of tractors for world agriculture is the defense mobilization program in the United States. Production in the last half of 1951 was lower than in the first half and output in the first quarter of 1952 will be still lower, which will tend to reduce exports. Since last July, materials for producing farm machinery have been allocated to manufacturers, because of shortages, and it is expected that materials will continue to be allocated this year. The quantity of materials available for farm machinery will depend to a considerable extent on developments in the mobilization program, but allotments of materials announced for the first quarter of 1952 should permit production of farm machinery, including tractors, at about 80 to 85 percent of the 1949–50 level. Some of the tractors that are being produced, especially crawlers, are going to the military services. Tractors have already been placed under export control.

Sources of Tractors for Importing Countries

North America. Canadian agriculture is rather highly mechanized and absorbs a large number of tractors annually. Canada produces and exports agricultural machinery and tractors, but it imports a large proportion of its requirements. More than 90 percent of its imported tractors in 1950 were obtained from the United States, the remainder from the United Kingdom. The full-line United States manufacturers maintain sales organizations and dealers in Canada similar to the ones in the United States. Farm machinery flows freely across the border in both directions without payment of customs duties. As farm labor shifts to factories and the armed forces during the present defense mobilization period, there will be a greater demand for labor-saving farm machinery.

The Caribbean countries, including Mexico and those of Central America, obtained nearly nine-tenths of their tractors from the United States in 1950. Mexico, the largest importer, purchased almost all its tractors from the United States, but Cuba, the other important importer, obtained about

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one-third of its tractor imports from the United Kingdom. In Cuba the predominantly clay soils and the rolling rocky terrain make it essential that tractors and machinery used in soil preparation and cultivation be sturdily constructed, although not necessarily large. The proximity of both Cuba and Mexico to the United States gives an advantage to American machinery from the point of view of good service and prompt supply of repair parts.

South America. South American countries as a group obtained nearly three-fourths of their tractor imports from the United States and about one-sixth from the United Kingdom. The other principal supplier was Germany, which exported chiefly to Brazil.

Brazil, the South American country importing the largest number of tractors in 1950, purchased more than three-fourths of its tractors from the United States and the rest from Germany, the United Kingdom, Canada, and Italy, in that order of importance. The high price of coffee and other products exported to the dollar area in recent years has resulted in the Brazilian Government's making more dollar exchange available for the importation of United States farm tractors and other farm machinery in order to increase agricultural development and production.

Argentina imported the second largest number of tractors, also mainly from the United States, but some from the United Kingdom, France, and Canada. Normally, the United States supplies about 80 percent of Argentine import requirements for farm machinery, but in 1950 the scarcity of dollars caused the Argentine Government to seek maximum supplies from nondollar sources. A number of American tractor and farm equipment manufacturers maintain service branches or distributors in the leading agricultural areas of the country.

Uruguay imported about as many tractors from Great Britain in 1950 as from the United States. Until 1949 the United States was the principal supplier for Uruguay. However, by the early part of 1950, the pattern of imports had shifted to favor European manufacturers due to the shortage of dollar exchange. The exchange position improved after the middle of 1950 and imports of United States tractors and equipment have been at a much higher level. American tractors are generally preferred, one reason being the availability of better service facilities than exist for European makes.

Europe. In Western European countries, other than the United Kingdom and Germany, nearly three-fifths of the tractor imports were of British make. Germany was the second most important supplier for other continental Western European countries and the United States third. Fewer tractors were obtained from the United States in 1950 than in the earlier postwar years, when they were financed largely by various United States aid programs, because of the ample production of practically all types of farm tractors in Western Europe. It is not to be expected that large numbers will be obtained from the United States in the future, except for heavy track-laying and wheel types not yet produced in sufficient quantities to meet all requirements.

TABLE 1.—*Tractors exported from principal exporting countries, by destination, 1950*[1]

(In 1,000 units)

Destination	United States[2]	Canada	United Kingdom[3]	Germany	Western Europe excluding U.K.[4]	Total
Canada	47.4	—	4.6	—	—	52.0
United States	—	5.7	4.0	—	—	9.7
Mexico, Central America, and W. Indies	7.8	.1	.8	0.1	—	8.8
South America	12.7	.3	2.8	1.0	0.4	17.2
United Kingdom	—	—	—	—	.3	.3
Western Europe excluding U.K.[5]	6.2	1.8	26.0	8.5	2.3	44.8
Africa	5.1	.1	13.6	.7	2.2	21.7
Near East[6]	4.7	.2	1.0	.5	.1	6.5
Rest of Asia	1.7	—	4.4	.3	.1	6.5
Australia	2.9	—	22.3	1.4	.9	27.5
New Zealand	1.4	.1	7.0	—	—	8.5
Total	89.9	8.3	86.5	12.5	6.3	203.5

[1]Not including garden types.

[2]Not including used tractors or crawlers 95 hp. or over.

[3]Destinations estimated for 9,143 tractors whose destinations were not specified in British export statistics.

[4]Austria, France, Italy, and Sweden. Countries of destination partly estimated for France; Swiss export data unavailable, but exports were small.

[5]Exports to Germany practically nil.

[6]Greece, Egypt, and Anglo-Egyptian Sudan not included.

France imported more tractors in 1950 than did any other Western European country, mostly from Germany and the United Kingdom since such imports could be paid for in soft currencies. Sweden imported the second largest number of tractors and Denmark the third largest number, mostly of British make, but some were from the United States.

The United Kingdom was the principal supplier of tractors to Belgium, Ireland, Finland, the Netherlands, Norway, and Spain. While United States tractors are well adapted to conditions in most of these countries and generally preferred over other makes, the foreign exchange situation favors manufacturers in European soft-currency countries. However, the United States was the chief supplier for

Greece, Iceland, and Portugal because of type and size of tractors needed and ECA financing. Germany supplied important numbers of tractors to Belgium, Italy, and the Netherlands.

Africa. In 1950, Africa obtained more than three-fifths of its tractors from the United Kingdom and one-fourth from the United States, the second most important source. Much of Africa is in the sterling area and dollar imports were limited in 1950. France was the third most important supplier of tractors to Africa, with most of its exports going to French overseas territories, where French manufacturers have tariff and exchange advantages. Germany was the fourth most important source of tractors.

Nearly half of the tractors shipped to Africa in 1950 were destined for the Union of South Africa. Most of them were of British manufacture and a little less than one-fifth were of American make. American tractors are highly suited to South African conditions and more would have been imported except for the controls imposed by the government in November 1948 on non-sterling imports. In 1951 the government relaxed its controls sufficiently to permit the importation of complete machines and repair parts from the United States, but it is reported that the suppliers are unable to meet the demand.

Algeria imported about an equal number of tractors from the United Kingdom, the United States, and France. Egypt, Southern Rhodesia, and British East Africa imported a considerable number of tractors from the United Kingdom. French Morocco and Tunisia imported most of their trac-

American-made tractor, fitted with spraying equipment, on Turkey's Izmir agricultural station. Such state-owned equipment often is made available to farmers on a custom basis.

tors from the United States, with ECA financial assistance. France was the other important source of supply for the two latter countries.

Asia. Two-thirds of the tractors imported into the Near Eastern countries of Asia were obtained from the United States. The largest part of these shipments went to Turkey, mostly financed by ECA. Israel was the only other country importing a large number of tractors, all from the United States.

The rest of Asia imported only a few more than 5,000 tractors in 1950. Four-fifths of them were purchased by India, mainly from the United Kingdom, since India was short of dollars. India bought about one-sixth of its tractors from the United States. Less than half of these were track-laying models. The only other Asian country that imported a significant quantity was the Republic of the Philippines, which purchased its tractors from the United States.

Oceania. Australia obtained the major part of its imported tractors from the United Kingdom. The United States was the second most important supplier. Australia also obtained a substantial number of tractors from Germany. Strict foreign exchange controls limit the amount of farm machinery that can be imported from the United States despite Australian farmers' nearly unanimous preference for the United States manufactured machines. There has been some increase in imports of United States tractors since the Export-Import Bank loan to Australia in mid-1950.

New Zealand also obtained the bulk of its tractors from the United Kingdom in 1950, with the United States as the second ranking source. As in the case of Australia, foreign exchange restrictions sharply limited New Zealand's tractor purchases in the United States. The amount of dollar exchange made available in 1950 for tractors was strictly limited and the amount for 1951 was even less.

Tractor Supply in Main Producing Countries

United States. From early times the United States has had a farm equipment industry. It grew out of the need for labor-saving machinery on American farms, which from the earliest period of colonization experienced a shortage of labor. Over the years, inventors constantly sought new ways to perform farm work with less labor and the producing firms put these ideas into commercial production. The growing industrialization of the United States, which provided steel, complex machine tools, and such other factors as mass production methods, was the environment in which the infant industry grew. From a production valued at $6.8 million accomplished by 1,333 establishments in 1849, the industry expanded enormously until in 1949 the production turned out by 1,527 establishments was valued at nearly $2 billion. Exports of farm equipment amounted to $350 million in 1950, about half of which were destined for Canada.

The world's largest tractor industry is found in the United States. In 1950 it produced 44,600 track-laying tractors, 499,604 wheel tractors, and 153,827 garden tractors. Exports during 1950 accounted for 31 percent of crawler production, 15 percent of wheel tractor production, and about 2 percent of garden tractor production. In addition, more than 2,000 used tractors, mostly crawlers, were exported. In considering the importance of the United States contribution to the world agricultural power supply, it should be remembered that many of the crawler tractors exported for nonfarm uses were utilized for purposes closely related to farming, including road building, construction work, forestry operations, land reclamation, and irrigation.

Canada. Canada ranked as the fourth largest exporter of farm tractors in 1950; more than two-thirds of these exports went to the United States. There are two principal producers of farm tractors in Canada; one of them has a United States subsidiary and the other sells tractors through distributors in the United States. One of the Canadian firms manufactures primarily small tractors in Canada, which it sells there and also through its dealers in the United States, while its larger tractors are manufactured in the United States for distribution in Canada as well. This company exports tractors from both Canada and the United States.

United Kingdom. The second largest producer of tractors for export is the United Kingdom. The importance of the export market to British tractor producers is indicated by the fact that more than 70 percent of the 116,578 wheel tractors and more than 75 percent of the 3,633 track-laying tractors produced in 1950 were exported. In addition, more than half of the 30,000 garden tractors produced were exported.

The farm machinery industry of the United Kingdom had its origin in the shops and sheds of village blacksmiths, wheelwrights, and wagon builders. These early agricultural engineers formed the basic

pattern of the industry. Tractors first proved their worth in Great Britain during World War I, but their use and production did not appreciably increase until World War II. Production of all types of farm machinery was sponsored during the last war by the Ministries of Agriculture and Supply so that Britain came out of the war with a fairly large industry. After the war, some plants built for defense industries were converted and new plants constructed so that tractors are now generally produced in large, efficient plants employing mass production methods.

The tractor industry has been an important factor in the British export drive designed to balance its foreign trade accounts. The principal manufacturers have shown considerable ability in adapting their tractors and related equipment to the needs of the modern farmer and have carried on aggressive sales programs. Therefore, it seems probable that the United Kingdom will continue to supply a large share of the world tractor import requirements, especially in areas short of dollars.

Germany. The German tractor industry has made rapid strides since the war in reconstructing its plants and increasing the production of a number of makes. German producers specialize in Diesel tractors, which find a ready market in many countries where the cost of gasoline is excessive. German manufacturers have shown considerable ingenuity in developing light-weight Diesel tractors suitable for small and medium-sized farms. While German producers have lost much of their prewar market in southeastern Europe, they have been able to develop new markets that have absorbed all or most of the output that could be spared for export in 1950. It appears likely that Germany will be an increasingly important source of Diesel tractors in countries in which that tractor has a marked advantage over the gasoline type.

France. Under the Monnet plan the French tractor industry was scheduled to expand quite rapidly in the early postwar years in order to provide for the mechanization of French agriculture. The industry was not able to expand as rapidly as planned; nevertheless, by 1950 it was finding difficulty in marketing its current production of tractors, due to high prices and inferior designs. A number of small firms went out of business, while the larger ones accumulated heavy inventories of tractors. Eventually they had to cut production.

Another reason for these difficulties was the fact that proper tractor implements were sometimes difficult to obtain. Consequently, French farmers, as well as farmers in countries to which France normally exported tractors, showed a definite preference for American, British, and German machinery over the French product. France is potentially a source for more tractors than it has been producing in recent years, but new designs must be adopted before the French product will be acceptable to farmers. An indication of future trends is the fact that some United States and Canadian manufacturers have established operating subsidiaries in France to produce the latest type of farm tractors. When these factories are in full operation, the tractor production of France probably will increase, and it is possible that some of the tractors produced will be exported to the markets normally served by the French manufacturers, particularly to the French overseas territories.

Italy. Italy has a small tractor industry, with a few large companies and several small ones producing tractors of various types to meet the varied needs of domestic agriculture. Some of these tractors, particularly the track-laying types, have been exported to a number of countries. However, high manufacturing costs and the resultant high prices, as well as low quality, have limited both foreign and domestic sales. Some particular problems are involved, but, in general, if modern production methods were adopted more widely by the larger firms, Italy might have more tractors for export.

Others. Austria's small tractor industry exports about one-fourth of its production of medium-sized wheel tractors. Imports are small and limited to types not produced domestically. The country is a net exporter of tractors.

Sweden and Switzerland have small farm machinery industries and produce some tractors. The total number manufactured is not great, however, and exports are considerably lower than imports. Some garden tractors are exported from Switzerland. Likewise, Australia has some companies producing tractors, but that country must import the bulk of its requirements.

The U.S.S.R. is a major producer of farm tractors but specific information is not made public. Czechoslovakia, Hungary, and Poland also produce tractors, but, with the exception of Czechoslovakia, neither the U.S.S.R. nor its satellite countries send large numbers of tractors outside the Iron Curtain countries. Yugoslavia also is manufacturing tractors on a small scale for domestic consumption.

FAO Mobilizes for Increased Food Production

by STANLEY ANDREWS

The Conference of the Food and Agriculture Organization of the United Nations, which met in Rome from November 19 through December 6, was, in many respects, the most encouraging of all of the conferences held up to date. It may well represent a turning point in FAO's attack on some of the obstacles ahead. There was less "telling FAO what it should do," and more realization that the job is up to governments themselves, with FAO's help. Attended by representatives of 64 nations, 16 of them ministers of agriculture, the Conference set up, in a series of directives and resolutions, guide posts on what FAO might assist governments themselves to do to solve the world's food problems.

In a way, FAO is under test—the acid test of really doing something about the problems that have been discussed in general and specific ways since its founding. By this we do not mean to imply that the work of FAO has not been of significant proportions in the past. Indeed it is a tremendous thing for 60 or more nations to meet under a common charter and discuss openly and frankly, and sometimes quite brutally, some of the tremendous tasks that the modern world has yet to solve: how to produce and equitably distribute more and better food in the areas of deficit; how to attack the problem of getting products from the areas of plenty into those areas which, despite all possible efforts, still need food and raw materials from the outside.

Largely through some splendid work of the FAO staff and the special committees of the Council, the Conference had before it a series of programs that were basic and practical enough to challenge the interest and the activity of the representatives of the nations there assembled. In many of the resolutions passed by the Conference there was more than a pious gesture of some desirable thing to be accomplished—there was instead an implied pledge on the part of governments to actually try to do something about the problem. This to the U. S. Delegation was most heartening.

Secretary of Agriculture Charles F. Brannan, Chairman of the U. S. Delegation, said he believed that FAO was getting down to the serious job for which it was created.

Increased Production

The grim fact of the world food situation, that population is outstripping agricultural production, was foremost in everyone's thoughts. Norris E. Dodd, who was reelected Director-General at this Conference, laid this fact bluntly before the delegates and put action for reversing this disastrous trend squarely up to them. "Frankly," he said, "member countries as a whole have not fulfilled the obligation they accepted in signing the FAO Constitution. . . . The time has come not merely for a confession of shortcomings. This is an occasion for a change of heart and a determination to mend our ways in the future."

The Conference approved his recommendations for immediate short-range action to increase agricultural production. It set a target for an increase in world food output in the years immediately ahead of *at least 1 to 2 percent over the rate of population* increase. It recommended that member governments should set up and enact agricultural development plans to achieve their part of this objective. These plans and progress in meeting the goals will be reviewed in regional meetings in the spring of 1953.

Extension Services

The Conference supported the Director-General in his emphasis on extension services as the most effective way to expand agricultural production. It called on all member governments to establish effective extension organizations to bring technical information to the man on the land.

This acceptance of extension services as the foundation for an increase in agricultural production was particularly gratifying to the U. S. Delega-

Mr. Andrews, Director of OFAR, is on leave to the Department of State, where he is advising the Secretary of State on the Point Four program of technical assistance. He was an alternate member of the U. S. Delegation at the Conference.

tion. It marked real progress over previous conferences, when there was neither understanding nor acceptance of the United States emphasis on extension work.

Program of Work

The Conference's resolve to buckle down to attacking the problems of the world agricultural situation will be greatly aided by the clear direction given to FAO's program of work by a small group of government representatives appointed by the last conference to review FAO's past work and chart its long-term trends. Dr. Philip V. Cardon, who, until his recent retirement, was Administrator of Agricultural Research in the U. S. Department of Agriculture, served as chairman of this group. The group's report will be most useful in keeping FAO's program headed in a steady direction, with concentration on the most essential jobs.

The U. S. Delegation was well satisfied with FAO's work in fisheries, nutrition, and forestry, as well as its plans and programs for increasing agricultural production.

Technical Assistance

FAO's technical assistance program, in its first year of operation, has made it possible for FAO to do something more than examine, report, and recommend.

The Conference gave unanimous approval to the remarkable job FAO has done in getting its technical assistance program under way rapidly and competently. It was all the more remarkable because the upheaval of moving the headquarters from Washington to Rome came right in the midst of the most hectic part of the job of negotiating agreements with governments and getting experts recruited, oriented, on the payroll, and on their way to their assignments.

Despite these difficulties, at the time of the Conference FAO had signed technical assistance agreements with 48 countries or territories, had 226 experts from 32 countries either in the field or back from short-term assignments, 45 more in the process of being assigned, and requests for 107 additional ones. The Conference endorsed the technical competence of the experts recruited.

The sense of dedication that FAO's staff feels toward its technical assistance work may be judged from the words of F. T. Wahlen, chief of technical assistance, in his report to the Conference. "It is sad enough that the concept of FAO is not yet more deeply rooted in the large masses of rural and urban populations, but it would be tragic if governments, whether of predominantly contributing or predominantly receiving countries, failed to make their peoples understand that in technical assistance for economic development we have something entirely new in human relationships and perhaps a last chance."

Land Reform

One of the most vigorous and constructive debates, in the view of the U. S. Delegation, was on the subject of land reform. All delegates showed great interest in the subject and recognition of the need for land reform. They approved a resolution proposed by the U. S. that governments give urgent attention to putting land reforms into effect.

Generally accepted was the United States concept of land reform, as stated by Congressman Clifford R. Hope of Kansas, that land reform means much more than redistribution of land either by breaking up large estates or by consolidating small holdings. It must include a number of measures to improve the relationship of the man who works the soil to the land he works, including opportunity for land ownership, improved conditions of tenancy, agricultural credit at reasonable rates of interest, reform of exorbitant rents and taxes, and facilities for obtaining agricultural supplies and marketing agricultural products, with emphasis on cooperatives.

Food Distribution

FAO's direction in the field of distribution is not clear cut. Many problems in this field were raised at the Conference, such as the necessity for guarantees of prices and markets for agricultural commodities as a prerequisite for increased production, proposals for international commodity agreements in times of shortages as well as in times of surpluses, proposals to establish emergency food reserves for relief of famine, removal of barriers to the free flow of international trade, and others. The role of FAO in the sphere of distribution is not clear, partly because a number of other international organizations such as the Economic and Social Council are involved, and partly because governments have not decided what part they would like FAO to take. These questions will have to be faced and may well become the subject of a special study and review by the Council of FAO very similar to the study that was undertaken on charting a basic production program. Certainly FAO has a job and a responsibility in this field.

Canada's Dairy Industry

Dairying is one of Canada's top three industries. It contributes more than 15 percent to farmers' annual cash income. The family size dairy farm has been the backbone of Canada's dairy industry. But with labor drifting from farm to city, it is probable that the larger, commercialized, fully mechanized dairy farm will become increasingly common.

The Canadian dairy industry, like that of the United States, is geared to supply principally the domestic market. The industry considers its foreign markets highly important but, since 1920, the quantity of dairy products available for export has gradually been shrinking. Canadians have been using more and more dairy products as their population has grown, their incomes increased, and their society become more urbanized. As an example, in the period 1920–24 the per capita consumption of cheese was about 3 pounds; in 1945–48, it was nearly 5 pounds. And in 1935–39, Canada exported nearly 80 million pounds of cheese, while last year only an estimated 28 million was sold abroad. The drop in production since the end of the war has further narrowed the margin between production and domestic consumption. Around 16 billion pounds of milk is the forecast for 1952, compared with the output of 17.5 billion pounds in each year from 1942 to 1945.

Processing of dairy products is largely carried out on a scientific and mechanized basis. Fresh milk is carefully handled throughout the various stages of its distribution. When it arrives at the milk plant from the farm, it is inspected for cleanliness. The cans of milk then go into the plant on a moving belt. The milk is weighed and sent at once to a cooler, after which it is pasteurized and homogenized, fed into bottles that have been scrupulously cleaned and inspected. Then it is delivered. Manufactured products, such as butter and cheese, are just as carefully tested and processed.

There are 3.5 million milk cows in Canada—Holsteins, Jerseys, Guernseys, Ayrshires, and Canada's own breed, the Canadian. Through selective breeding, Canada's dairy cattle are of high quality. Rigid quarantine of imported breeding stock has kept diseases out of the country. Last year there were about half a million fewer dairy cows in Canada than in the peak year 1945, but this loss has been partly offset by higher yields per cow.

Immediate cooling of milk, to maintain high quality, is practiced on Canada's commercial dairy farms.

Fresh milk is delivered to Canada's urban homes daily. Canadians drink an average of a pint of milk a day.

Cheese inspector at Ontario Agricultural College, where special studies prepare students for work in Canada's important dairy industry.

Forestry in Point Four

by A. C. CLINE

The world's forests perform two major functions, one protective and the other productive. To a large degree, the future support of the human race depends on forests adequate to protect and maintain soil and water resources so that agricultural land can be kept productive and, at the same time, to provide the forest products that the growing world population needs. Unfortunately, the close relationship between forestry and agriculture in the protection of land needed for food and fiber crops has often gone unrecognized or unheeded until too late. Particularly in countries having a heavy population pressure on the land and soils that are susceptible to rapid deterioration if not protected, failure to conserve the forests has oftentimes had disastrous consequences.

Thus, forestry in the Point Four Program can serve a dual purpose: first, the protection and, where not too late, the restoration of agricultural land; and, second, the rational development of forest resources and increased output of forest products in the underdeveloped areas, in this way helping to raise the local standard of living and at the same time providing some surplus of products for export to timber-deficient areas. Both are vitally important to human life and welfare and the maintenance of conditions favorable for peaceful progress.

The history of the human race is strongly marked by the tragic results of carelessness and ignorance in the use of forest resources. Misuse of forest land on hillsides and mountain slopes, through heavy cutting, clearing for agricultural use, excessive grazing, fire, etc., has resulted in gullied fields and pastures, washed out terraces, and valley fields covered with coarse mineral soil and rocks washed down the mountainsides. Water tables have been lowered, springs have dried up, floods have become more destructive, and the means of human sustenance greatly impaired, if not destroyed.

In places, the damage caused by deforestation has reached the point where land may be permanently lost to crop production. Such areas occur in the Middle East, the Mediterranean Basin, and parts of the Far East. In other places the damage can be repaired, at least partly, by reforestation and other appropriate restorative measures. In still other places—and this applies particularly to the undeveloped forest areas—such damage can be avoided, or minimized, by measures taken in advance to protect the vegetative cover from destructive cutting and other harmful practices.

In many parts of Greece, for example, despite the severely depleted land and intense pressure of population, the basic physical resources can be restored and living standards improved. The steeper slopes can be taken out of cultivation and a forest cover restored; the gentler slopes below can be farmed with erosion control practices; and the valley swamps, formed by deposits of earth from the hillsides, can be drained and the land restored to a much higher level of productivity. The proper corrective measures and improved land use practices could greatly increase both farm and forest productivity in Greece.

In another part of the world, South Korea, reckless forest cutting and farming in the mountains are responsible for the floods that carry soil and rocks

This steep hillside in Japan is kept in forest cover to protect farm lands below. Cutting areas (in patches) are replanted with red pine and other species.

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down the mountainsides and damage fields and farmsteads. Since a large part of South Korea is mountainous, careful management of the higher lands is imperative if the rice paddies on the valley floors are to be protected from flood damage. As in Greece, appropriate corrective measures would contribute greatly toward reducing erosion, siltation, and similar damage caused by unchecked run-off.

Essentially comparable are conditions found in many of the mountainous, settled portions of Latin America. Venezuela contains some of the most advanced and concentrated examples of erosion to be found anywhere. Over large areas, all of the soil has been washed away, leaving bare rock exposed. On badly eroded slopes in the northern part of the country, a semidesert vegetation has replaced the original forest.

Gill,[1] in his recent book on *Land Hunger in Mexico,* has pointed out that "forest fires, destructive agricultural methods, wasteful forest exploitation, and excessive grazing are the four major causes of the disappearance of Mexico's forests over vast areas, especially in the central plateau." He estimated that no less than 173 million acres have been converted into desert, wasteland, and cut-over land.

[1] *Land Hunger in Mexico,* by Tom Gill. The Charles Lathrop Pack Foundation, Washington, 1951.

A river of silt, New Zealand. Removal of forest cover followed by overgrazing has greatly accelerated soil erosion in the watershed of this river.

In other parts of Latin America, people are concentrated on sloping lands that, when farmed, frequently deteriorate rapidly. The ancient custom of the milpa, or shifting agriculture, involves clearing patches of forest, where the soil, enriched by a humus component and fertilized by wood ash derived from burning after clearing, can support food crops for a few years. When soil fertility runs out, the farmer shifts to another area and repeats the process of clearing, cultivation, and abandonment—a process that on the steeper slopes may lead to highly eroded soil and a gradually diminishing area of cultivable land.

In parts of tropical Africa, a similar method of clearing and burning long practiced by native farmers has gradually converted large areas of dense forest to open savannas and, in time, converted the savannas into grasslands. Aubréville[2] refers to this as " . . . a slow death struggle of a plant world, slow stages in the drying up and degeneration of tropical Africa." He points out that African soil deteriorates with a rapidity unknown in temperate zones. The bare earth is subject to a high rate of evaporation during the dry season. The dry heat causes changes in the physical structure of the soil that increase its susceptibility to severe leaching during the rainy season and lead to loss of productivity. With the continuing increase in native populations and decrease in forest area, the land utilization problems of tropical Africa become more and more pressing. The development of new agricultural methods based on an understanding of the role played by forest cover in protecting the soil and maintaining its fertility could pave the way for the gradual restriction of the present destructive practice of clearing and burning.

Apart from the great losses to farm land caused by misuse of forest land, there have been heavy losses in the forest resource itself and in its ability to provide essential products for human use. In many of the older densely populated countries, the forest resource has been gradually reduced to a point of near exhaustion, a condition that is reflected in the extremely low living standards found in such countries. Lumber consumption per capita in many parts of the Far East, for example, is less than 5

[2] *The Disappearance of the Tropical Forests of Africa,* by André Marie A. Aubréville. Unasylva, Vol. 1. No. 1. July-August 1947.

Barren hillside in eastern Guatemala. Once forested, the hillside has been denuded by repeated cutting and burning, followed by rapid erosion of the exposed surface.

percent that in the United States. Not only are there shortages of timber, but even the supply of fuel wood is extremely short in many countries. In India, for example, trees have become so scarce in the densely populated farming areas that the farmers have to burn as fuel cow dung, which should be used to fertilize their impoverished fields.

The more advanced and industrialized countries have generally recognized the desirability of conserving their forests—avoiding overcutting except in times of dire necessity and attempting to build up timber growing stocks to meet larger future needs. But the pressure of demand for wood generated by rapidly growing populations, rehabilitation following war, and, now, preparation for other emergencies, is so great that some degree of overcutting is the rule rather than the exception throughout the Western World. This applies to the United States and Canada as well as to a number of other Free World nations. The fact is that the Free World is gradually running short of good commercial timber, particularly softwood, the kind in greatest demand for general utility purposes such as building construction, boxing and crating, and pulp and paper. And, unless steps are taken to alter the present downward trend—through better forest management, reforestation, improved fire protection, etc., together with the development of new sources of timber supply in the Tropics—the gap between the Free World's annual wood supply and requirements will widen.

Forestry in the Point Four Program can make an important contribution in many parts of the world, in both its protective and its productive functions. And both can frequently be realized simultaneously through a single coordinated program. Conservative cuttings on steep slopes not only prevent erosion but also assure a perpetual timber supply. The stopping of excessive grazing on such sites promotes regeneration and improved growth conditions at the same time that one of the main causes of soil erosion is removed. Reforesting eroded slopes provides an additional source of forest products, as well as an effective means of holding the soil in place and checking run-off. Planting trees in densely populated farming areas, like parts of India, can provide the farmer's essential needs for fuel and afford some protection against dust storms and hot desiccating winds.

Such practices, however, are little or not at all known in many parts of the world, where the loss of vegetative cover and soil continues as though it were inevitable that man should destroy his own means of existence. Certainly one of the best ways yet proposed of correcting destructive uses of forest land is through technical assistance provided by countries that have developed effective forest and soil conservation methods and practices.

While a great deal of investigative work still remains to be done before tested and proved methods of dealing with the forest land problems of the underdeveloped areas will be ready for wide application, American foresters experienced in this field can make valuable contributions at present, without waiting for the perfection of methods to fit all conditions.

Denmark's Agricultural Policy

by KAREN FRIEDMANN

In considering the multitude of measures that constitute Danish agricultural policy, it may be useful to distinguish between certain basic policies that reflect what appears to be fundamental attitudes toward farmers and farming and those policies that are dictated by the vicissitudes of the day. The latter are largely economic in nature and are frequently contrived as responses to new economic influences affecting agriculture. They have been likened to snow clearing: you clear the snow where it happens to have fallen in order to keep the roads open—not in accordance with a preconceived plan or ideas of fairness or justice.

The distinction between the two types of policies is neither permanent nor entirely clear, however. It may well happen that a measure that was meant to alleviate a temporary difficulty becomes so thoroughly established that it must be considered to have become a part of the basic policies affecting farming. For instance, since Denmark exports a large proportion of its livestock production—agricultural products usually supply about two-thirds of total exports—and since large amounts of grains and oilseeds are imported, it was once axiomatic that unhampered trade was the only possible policy for Danish agriculture. But foreign exchange difficulties during the depression of the 1930's caused the country to abandon its policy of a free flow of trade, and developments during and after World War II have only intensified the trend.

There are also measures that have never belonged clearly in one or the other group. For instance, in the 1930's it was made possible for small holders, who had been established on their holdings through large government loans, to convert their fixed interest payments on the value of their land into a payment that varied with prices of the small holders' product. Since farm prices were low, this action was for the moment a way of easing the burden of this payment. But it also represented a shift in a basic policy. Nevertheless, in spite of such hybrid cases the distinction remains useful.

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Basic Agricultural Policies

The family farm has always been characteristic of Danish agriculture and owes its continued existence through changing conditions over the centuries to a positive, protective policy.[1] During the centuries when feudalism prevailed, the peasants on these farms were tenants of the manorial lords. But their holdings were maintained as operating units, for it was forbidden to abandon the peasant farm and add its land to the manor. Through a long period of agrarian reform, beginning in the second half of the eighteenth century, the peasants gained ownership of their holdings and had their land consolidated. This process went on through most of the nineteenth century. In 1860 there were only 15,000 tenant farms left in Denmark; in 1909 a mere 3,000. The old rule that existing farms must be maintained has continued to be restated in Danish farm legislation, though exceptions have been made at times. A farm must neither be absorbed in another farm nor, by selling off land, be brought below stipulated limits.

Around the year 1900 the government embarked on a policy of establishing small holdings, originally meant to provide only part-time occupation for agricultural laborers. But eventually this policy became one of establishing holdings large enough to provide a livelihood for the holder and his family. As the small holding gained recognition as an important farm type, the same desire to maintain these holdings arose as had always existed for the old family farms, and it was expressed in a law of 1925. This law provides that any holding with 1 hectare (2.471 acres) of land or more must be maintained and operated as an independent unit. Maintenance and protection of the family farm and family small holding must therefore be considered a fundamental principle of Danish farm policy.

On the production side, certain types of government support may also be considered of a permanent nature. This support takes the form mainly of loans and grants for various land improvement practices, of which drainage is the most important, but included are also liming, reclaiming of heath

[1] For a discussion of Danish land policy, see "Danish Land Policy," by James O. Howard, *Foreign Agriculture*, Sept. 1951.

land, etc. Since 1937, government grants have covered some 40 percent of this kind of work.

Furthermore, the government takes an active hand in agricultural research and experiments. It has 14 experiment stations for soil cultivation and plant culture, a laboratory on soils, a plant pathology station, an experimental farm for animal husbandry, a seed testing station, and a testing station for implements and machinery. A veterinary service assists in preventing and combating contagious diseases. All these institutions are supervised by official committees on which agricultural organizations are represented. Research results are made available to farmers through publications and the extension service.

Extension service in Denmark is largely the responsibility of the farmers' and small-holders' organizations, but the work is supported by government grants, and a few specialists are engaged directly by the government.

It is quite common in Denmark for the government to step in and support an activity that was begun and proved by some private organization or institution. It happened in agricultural education. Agricultural schools were originally private enterprises. They now receive various large grants, amounting in general to between 20 and 30 percent of total expenses, in addition to which the government grants scholarships to many of the students.

An example will show how there has been a similar development in the field of quality control of agricultural products. When butter exports were becoming important at the turn of the century, Danish creameries voluntarily established a brand, the Lur brand, to be used on all butter exported. This became a mark of quality as well as of origin. In 1906 an act was passed under which only Lur-branded butter could be exported.

It is a characteristic feature of Danish agricultural policy that the government relies heavily on the agricultural organizations, including cooperatives, both in planning and executing all measures that affect agriculture at the national and international level. Danish farmers are subject to rather numerous, detailed regulations on prices and marketing and in other fields, but they have through their organizations a very active part in formulating these regulations and establishing the conditions under which they operate.

This means that private organizations, established originally for different and more limited purposes, become strongly entrenched, semiofficial instruments of over-all policies. This is an interesting and significant development, though not one limited to agriculture, nor peculiarly Danish. The following description of economic policies will furnish some illustrations of how this came about.

Emergency Measures of the 1930's

The steps that the Danish Government took on behalf of agriculture in the early 1930's to cope with the impact of the severe agricultural crisis are of more than historical interest. They indicate in what manner such problems can be handled under Danish conditions—more or less successfully, and they have shown a stubborn tendency to persist, though with adaptations to changing conditions. It is therefore hardly possible to describe or understand the present-day set-up unless one first looks at these crisis-born measures.

Falling grain prices in 1929 were the first indication that the depression had reached Danish agriculture. For the large part of Danish farmers who buy grains and feedstuffs and sell livestock products, this drop was at first a boon. Crops were good, livestock production was expanded, and exports of bacon and butter had never before, and have never since, been as high as in the years 1930-32. But by 1931, prices of livestock products were declining rapidly and importers of Danish products began to restrict their takings. Since by far the greater part of Danish agricultural exports went to Great Britain and Germany, Denmark was extremely sensitive to developments in these two countries.

Germany had limited its imports of Danish cattle in 1929. In 1930, tariffs on agricultural products were greatly increased, and import licenses required. Later on, the German import trade was monopolized and trade eventually became based on bilateral agreements.

In 1932, Great Britain, Denmark's biggest customer, put a 10-percent duty on butter, eggs, and cheese from countries outside the empire. Bacon from all sources remained duty free.

Smaller exports and catastrophically low prices caused Denmark to adopt measures designed to alleviate the agricultural crisis. Five different approaches were adopted, the first two of which had reference to the economic situation in general.

1. Currency devaluation.
2. Complete control of foreign trade, through the new Foreign Exchange Control Administration.
3. Commodity programs for butter, bacon, cattle, sugar, potato flour, and grains.

4. Debt alleviation.
5. Tax reduction.

Currency Devaluation

When Great Britain abandoned the gold standard on September 20, 1931, Denmark had little choice but to follow. Eventually the Danish krone, however, was devalued considerably more than the British pound. This devaluation probably did more to alleviate the agricultural depression than any of the other crisis measures.

Foreign Trade Control

A few months later the Foreign Exchange Administration was created. Foreign trade had to be regulated because it was decided to keep the exchange rates at a predetermined level so as to create a balance of foreign payments. This meant limiting imports in line with foreign exchange earnings. Furthermore, with the bilateral type of trade that developed in the early 1930's, it was necessary to a considerable extent to direct the flow of trade in accordance with stipulations of trade agreements. Though not intended so, in effect this meant protection.

Originally, a license was required for every import transaction; but soon free imports of certain commodities were permitted. Among the important items on the free list were agricultural raw materials—grain and other feedstuffs, for instance.

Under the auspices of the Department of Agriculture, export committees were created, on which agricultural producers, private trade, and the agricultural processing and marketing cooperatives were represented. The committees were mainly advisory and helped carry through new regulations internally. A committee was set up for each of the following in the years shown: butter (1932), bacon (1932), cattle (1933), cheese (1933), eggs (1933), poultry (1935), horses (1936), and potatoes (1938).

Commodity Programs

The commodity programs of these years were, with the exception of the one for *bacon*, price support programs. After Great Britain limited its imports of Danish bacon under a quota system in 1932, prices of bacon on the British market rose again. The problem for Denmark was therefore not one of price but of reducing production of hogs to export possibilities. In February 1933, limitation of production by means of a card system was introduced. Each farmer was permitted to market a certain number of hogs (granted a certain number of cards), depending on the size of his farm, earlier deliveries, the amount of skim milk returned to him from the creamery, etc. For additional hogs marketed without cards, he received a greatly reduced price. The allocation of cards was such that it favored the small farms.

With relatively good bacon prices, it was decided that grain prices could be raised to compensate the larger, grain selling farmers. So an import levy on grain was introduced in December 1933. The amounts obtained were paid into a special fund used for the benefit of small farmers to offset in part the higher price of feed caused by this levy. The arrangement was discontinued in 1934 but reintroduced in 1935. In 1938 a new feature was added—compulsory admixture of a certain percentage of domestic grain in milling of flour.

The *meat* program was aimed at a higher price through smaller marketings. A levy on each head of cattle marketed for human consumption was introduced in 1933. The government used part of the funds to buy poor-quality cattle for destruction and as an export subsidy for steers. The health condition of the herds was considerably improved through this measure and the cost to the government was small. Prices improved, not only because of the program but also because of the relatively high bacon prices and, later on, the increased sales to Germany.

A price support program was introduced for *butter* in 1934 but could only affect that sixth of the production that was sold on the domestic market. Simultaneously a tax was levied on raw materials for margarine production, to prevent a shift in consumption from butter to margarine. The butter program was discontinued in 1934. From 1937 on, the government paid a subsidy on domestically consumed butter.

Sugar prices had been moving downward since the middle 1920's. Production had declined and imports were running high. The government wanted to support the price, not only to give help to the farmer, but also to provide employment and to save foreign exchange through decreased imports. A law of March 1932 guaranteed a reasonable price for the beet growers, as well as the sugar refineries, and limited or prohibited imports. This law is renewed annually. The cost of the sugar program is borne by the consumer through higher prices.

The *potato starch* program was patterned after the one for sugar. Seven cooperative factories were set up with sole rights to potato-starch production.

Debt Alleviation

The excellent credit institutions for farm mortgaging, developed in Denmark since 1850, have resulted in a high degree of indebtedness. During the agricultural crisis many farmers were unable to meet payments on their large debt; they found themselves with a debt almost as large or even larger than the reduced value of their farms. As a consequence, a series of measures were introduced in 1931, 1933, and 1936 to postpone forced sales, reduce interest rates, and convert certain existing loans into loans with interest rates varying with economic conditions.

Tax Reduction

Three laws of 1931, 1932, and 1933 provided some tax relief for Danish agriculture. Under the latter act this relief was geared to agriculture's economic situation as reflected in the rate of earning.

In the second half of the decade, conditions were relatively favorable for agriculture. The legislation described above remained in force, however, but the outbreak of the war and subsequent German occupation necessitated drastic changes.

Wartime Policies

Immediately after the outbreak of the war, enabling acts were passed that granted the ministers of commerce and agriculture broad powers to (1) purchase commodity supplies at home or abroad, (2) ration supplies and control prices, and (3) prohibit exports, when desirable. Also, they were given powers to expropriate commodities against full compensation. The two most important institutions charged with executing directives issued under these acts were the Commodity Supply Directorate and the Price Control Council. The Commodity Supply Directorate was the old Foreign Exchange Administration with powers expanded (October 1940) to deal not only with foreign trade regulations, but with the whole internal supply situation as well. Though a number of agricultural products fell under the general provisions and authority of these institutions, some major farm products were dealt with independently and by special agencies.

Thus, in the fall of 1939 two agencies were created, the State Breadgrain Office and the Central Office for Imports of Feedgrains and Other Feedstuffs. Exports of grains and feeds had already been prohibited just before the outbreak of the war. The Breadgrain Office was created in typical Danish fashion through the joint efforts of the government and the Commercial Millers' Organization. The Office was given a monopoly on all imports of breadgrains, under government control. A "regulatory" account was established. If import prices and costs were lower than the ceiling price on breadgrains, the difference had to be paid into this account; if higher, the account covered the deficit.

Similarly the Office for Imports of Feedgrains and Other Feedstuffs was established by the importers of these feeds and the government. The Office imported and distributed feed; it also had a monopoly on domestic trade in oilcake and meal produced in the country and determined the maximum profit permitted dealers in these feedstuffs.

Exports of farm products were also centralized. In December 1939 it was decreed that the advisory commodity committees, established in the 1930's, were to be the exclusive exporters of butter, bacon, potatoes, etc.

Thus special machinery was created for handling the most important agricultural import and export products. For grain that was subject to compulsory delivery, quotas and prices were established for each crop year. The same was true for butter and sugar. That did not mean that other commodities were dealt in freely or subject to free price determination, but that they fell under the general authority of the Commodity Supply Directorate and the Price Control Council or whatever agency the appropriate authorities might provide under the general enabling acts.

As for major foodstuffs: milk, cheese, eggs, and potatoes have not been rationed at all; grain products, fats, and sugar were rationed throughout the war and for several years after; meat, only after the war; and sugar remains rationed in order to ensure large exports.

Postwar Period

Thus, there was a high degree of control during the war (or at least authority for introducing such control) on production, trade, consumption, and prices of all agricultural products whenever it was considered necessary. During the first postwar years the supply situation for most products remained so tight that controls could only slowly be abandoned. Many remain today; for persistent foreign exchange difficulties, aggravated by unfavorable terms of trade, to which is added the specific dollar shortage, appear to have made permanent much of what

Cooperative dairy in a village in Zealand, Denmark. Cooperatives and other agricultural organizations play an important part in shaping and carrying out agricultural policy in Denmark.

was meant to be temporary depression or wartime policies of controls and restrictions.

Late in 1951, imports were still subject to licensing by the Commodity Supply Directorate, except insofar as commodities were placed on the free list. Grain imports are outside this authority and are centralized in the State Grain Office and the Central Office for Imports of Feedgrains and Other Feedstuffs as during the war.

When in 1950 the export committees under the Department of Agriculture were discontinued, it was deemed desirable to continue to have some sort of centralization of exports of the important agricultural products. This is an indication of how little it is considered possible to return to a pattern of free trade. Therefore, new commodity committees were established, consisting of representatives of the interested agricultural and trade organizations, including some private firms. Their activities are not supervised or controlled by the Department of Agriculture. Their bylaws must, however, be approved by the Department.

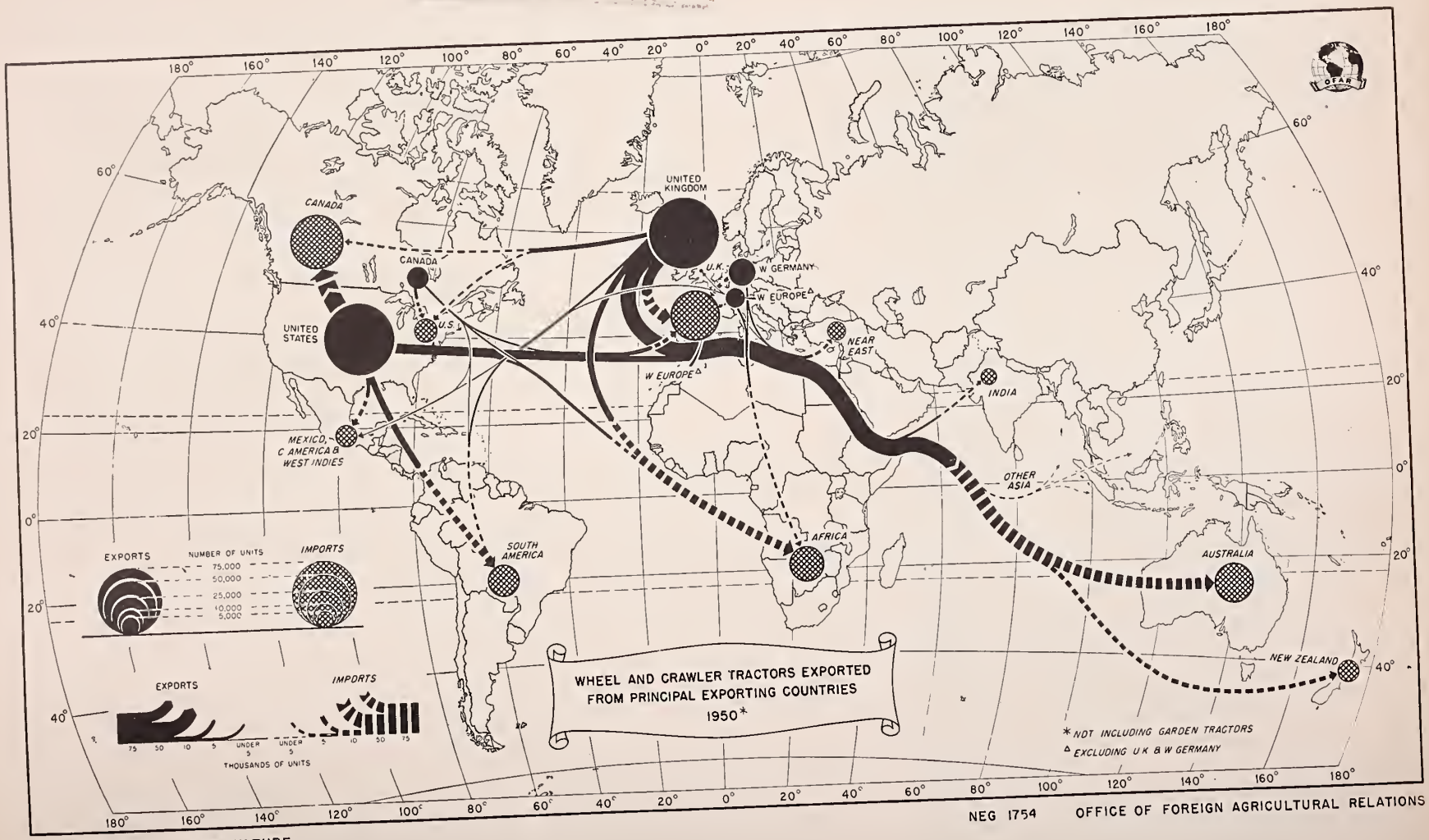
The following committees were established:

1. The Dairies' Butter Export Committee.
2. The Dairies' Cheese Export Committee.
3. The Farmers' Cattle and Meat Sales.
4. Sales Association of Export Slaughterhouses.
5. Egg Export Committee.
6. Poultry Export Committee.
7. Danish Farmers' and Horse Dealers' Export Organization.
8. Joint Committee of Danish Potato Growers and Potato Exporters.

In the case of cattle and horses the general rule is that the committee does the selling, while for all other products individual exporters or organizations of exporters do the selling. The committee may, however, take over in certain cases—for instance where the exporters are faced with centralized buying. When individual exporters make the sale, they must obtain a permit either from a newly established License Office of the Ministry of Agriculture or various specialized offices, such as the State Grain Office in the case of grains and feedstuffs.

As regards production, an annual law is still enacted (last one May 25, 1951) concerning compulsory deliveries of grains, particularly breadgrains, and prices of grain. Farmers must devote at least 35 percent of their total area to grain in order to retain home-grown coarse grains for feed. Grain produced in excess of quotas may be sold in the free grain market. Breadgrains must not be fed to livestock.

Conditions governing the production of sugar are now, as in the 1930's, determined annually by law, the latest of March 22, 1951. The present tendency is to decrease subsidization of sugar and permit the price to go up.



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